

SENATE BILL 234

By Burchett

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 82, relative to the investment of funds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-82-108(a)(1), is amended by adding the following language as a new subdivision (G):

(G) Non-convertible debt securities rated in the highest category by at least one (1) nationally recognized rating service of any student loan marketing association or student loan nonprofit public-benefit corporation operating as a Section 150(d) corporation under the Internal Revenue Code of 1986, as amended, that either originates or purchases loans under the federal Higher Education Act of 1965, as amended.

SECTION 2. Tennessee Code Annotated, Section 7-82-108(a)(2), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(2) The investments listed in subdivisions (a)(1)(A) through (a)(1)(D) and (a)(1)(G) may have a maturity of not greater than four (4) years from the date of investment; however, such investments may have a maturity of greater than four (4) years from the date of investment if the obligation represented by such investment may be tendered by the holder to the issuer or an agent of the issuer, or may be submitted by the holder to be sold pursuant to auction procedures applicable to such investments, at least annually, or if such maturity is approved by the state director of local finance.

SECTION 3. Tennessee Code Annotated, Section 7-82-108(b)(1)(A)(ii), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(ii) Are direct general obligations or revenue obligations of a state of the United States, or a political subdivision, or instrumentality thereof, having general taxing

powers, or are direct general obligations payable from a lease agreement or loan agreement that is a direct general obligation of a state of the United States, or a political subdivision, or instrumentality thereof, having general taxing powers; and

SECTION 4. Tennessee Code Annotated, Section 7-82-108(b)(1)(A)(iii), is amended by deleting it in its entirety and by substituting instead the following:

(iii) Have a final maturity on the date of investment of not to exceed forty-eight (48) months, or that may be tendered by the holder to the issuer of the bonds, notes and other obligations, or an agent of the issuer, or may be submitted by the holder to be sold pursuant to auction procedures applicable to such bonds, notes or other obligations, at least annually.

SECTION 5. Tennessee Code Annotated, Section 7-82-108(b)(1)(B)(iii), is amended by deleting it in its entirety and by substituting instead the following:

(iii) Have a final maturity on the date of investment of not to exceed forty-eight (48) months, or that may be tendered by the holder to the issuer of the bonds, notes and other obligations, or an agent of the issuer, or may be submitted by the holder to be sold pursuant to auction procedures applicable to such bonds, notes or other obligations, at least annually.

SECTION 6. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end, the provisions of this act are declared severable.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.